

**State and School Employees' Life and Health Insurance Plan
Health Insurance Management Board
Regular Monthly Meeting
January 28, 2015**

The regular monthly meeting of the State and School Employees Health Insurance Management Board convened on Wednesday, January 28, 2015, in Room 139 in the Woolfolk Building located at 501 North West Street in Jackson, Mississippi, at 9:00 a.m. The presiding officer was Mr. Kevin J. Upchurch, Chairman of the Board. A quorum was present.

Members Present:

Voting

Non-Voting

Mr. Kevin Upchurch
Dr. Eric Clark
Mr. Mike Chaney (*Represented by Designee, Mr. Bob Williams*)
Mr. Christopher Burkhalter
Ms. DeAnne Mosley
Mr. Liles Williams

Members Absent:

Dr. Hank Bounds	The Honorable Gary Chism
Mr. Larry Fortenberry	The Honorable Herb Frierson
Ms. Pat Robertson	The Honorable Eugene Clark
Dr. Carey Wright (<i>Represented by Ms. Gracie Sanders</i>)	The Honorable Videt Carmichael

Department of Finance and Administration Staff Present:

Mr. Richard Self
Ms. Cindy Bradshaw
Mr. Steve May
Ms. Amanda Murphy
Mr. Chris Shaman
Ms. Claire Whittington

Attorney General's Office Staff Present:

Ms. Romaine Richards, Esquire

Call to Order

The meeting was chaired and called to order by Mr. Kevin J. Upchurch, Chairman of the Board, who opened the meeting with prayer. Chairman Upchurch recognized new staff members in the Office of Insurance, Mr. Chris Shaman and Ms. Claire Whittington.

A motion was made by Mr. Chris Burkhalter to close the meeting to consider going into an executive session to discuss a matter of potential litigation. Mr. Bob Williams (designee for member Chaney) seconded the motion. The motion passed by a 5 – 0 vote, with members Burkhalter, Clark, Mosley, Bob Williams, and Liles Williams voting affirmatively.

The public was excused from the room while the Board went into closed session. Board members, staff of the Department of Finance and Administration, and staff from the Attorney General's Office remained in the room. In closed session, a motion was made by Mr. Burkhalter to go into executive session to discuss a matter of potential litigation. The motion was seconded by Mr. Bob Williams. The motion passed by a 5 – 0 vote, with members Burkhalter, Clark, Mosley, Bob Williams, and Liles Williams voting affirmatively.

Chairman Upchurch reopened the meeting and announced publicly that the Board had voted to enter into executive session to discuss a matter of potential litigation. The public was excused from the room and the Board entered into executive session at approximately 9:07 a.m. Board members, staff of the Department of Finance and Administration, and staff from the Attorney General's Office remained in the room, along with Special Assistant Attorney General Martin Millette and Mr. Christopher Coffin from the law firm Pendley, Baudin & Coffin, LLP.

A motion to adjourn the executive session and reopen the meeting was made by Mr. Burkhalter. The motion was seconded by Mr. Bob Williams and passed by a 5 – 0 vote, with members Burkhalter, Clark, Mosley, Bob Williams, and Liles Williams voting affirmatively. The executive session ended at approximately 9:35 a.m., and members of the public returned to the room.

Chairman Upchurch announced that during the executive session, potential litigation was discussed and that Dr. Clark had made a motion for the Board to cooperate with the Attorney General's Office should litigation actually be filed. Mr. Liles Williams seconded the motion. The motion passed by a 5 – 0 vote with members Clark, Mosley, Upchurch, Bob Williams, and Liles Williams voting affirmatively. Mr. Burkhalter abstained from voting.

Chairman Upchurch also announced that during the executive session, Dr. Clark made a motion that in the event the potential litigation resulted in recovery, the Chairman of the Board be authorized to send a letter to the Legislature requesting the proportionate amount of such recovery be distributed to the State and School Employees' Health Insurance Plan. Mr. Bob Williams seconded the motion. The motion passed by a 5 – 0 vote with members Clark, Mosley, Upchurch, Bob Williams, and Liles Williams voting affirmatively. Mr. Burkhalter abstained from voting.

Approval of the Minutes of the Regular Meeting on November 19, 2014

The minutes of the Board's regular monthly meeting of November 19, 2014 were provided to all Board members for their review prior to the meeting. A motion was made by Mr. Bob Williams for the Board to approve the minutes as presented. Mr. Burkhalter seconded the motion. The motion passed by a 5 – 0 vote, with members Burkhalter, Clark, Mosley, Bob Williams, and Liles Williams voting affirmatively.

Approval of Financial Audit Services Contract Renewal

Chairman Upchurch recognized Richard Self, State Insurance Administrator for the Office of Insurance, who advised that the Board's contract with BKD, LLP for financial audit services will expire on August 24, 2015. Mr. Self explained that the contract, which began August 25, 2011, included options to renew for three one-year periods, and reminded the Board of its previous approval of two of those one-year renewals. Mr. Self advised that guaranteed pricing for the final one-year option is included in the current contract, eliminating the need for such negotiation, and that staff recommends the extension. A motion was made by Mr. Burkhalter that the Board exercise the final one-year option and extend the BKD contract through August 24, 2016. Mr. Bob Williams seconded the motion. The motion passed by a 5 – 0 vote, with members Burkhalter, Clark, Mosley, Bob Williams, and Liles Williams voting affirmatively.

Approval of OPEB Actuary Contract Renewal

Chairman Upchurch recognized Richard Self, who advised that the Board's contract with Cavanaugh Macdonald Consulting, LLC to provide the annual actuarial valuation of the State's other post-employment benefits (OPEB), will expire on June 30, 2015. Mr. Self explained that the contract, which began July 1, 2012, included an option to renew for one three-year term by mutual agreement of both parties. He reminded the Board that Cavanaugh Macdonald currently serves as the actuary for the Public Employees Retirement System (PERS), and that PERS had advised staff of their intent to extend their contract with this firm effective July 1, 2015. Mr. Self advised that Cavanaugh Macdonald had agreed to renew at the same terms, conditions, and pricing contained in the current agreement, and that staff recommends the extension. A motion was made by Mr. Liles Williams that the Board exercise the three-year option and extend the Cavanaugh Macdonald Consulting, LLC contract through June 30, 2018. Mr. Burkhalter seconded the motion. The motion passed by a 5 – 0 vote, with members Burkhalter, Clark, Mosley, Bob Williams, and Liles Williams voting affirmatively.

Election of Vice-Chairman

Chairman Upchurch advised that election of a vice-chairman was in order. A motion was made by Ms. DeAnne Mosley to elect Mr. Christopher Burkhalter as Vice-Chairman to the

State and School Employees Health Insurance Management Board. Mr. Bob Williams seconded the motion. The motion passed by a 5 – 0 vote, with members Upchurch, Clark, Mosley, Bob Williams, and Liles Williams voting affirmatively. Mr. Burkhalter abstained from voting.

Financial Statements

Chairman Upchurch recognized Mr. Steve May, Director of Accounting and Analysis with the Office of Insurance, who briefly reviewed the financial statements for the State and School Employees' Life and Health Insurance Plan for the months of November and December 2014. Copies of the financial statements were provided to Board members for their review prior to the meeting. Dr. Clark suggested that the Board consider reviewing the Board's funding policy relative to reserving, with consideration to increasing the current target of one-half of one month's operating expenses. Chairman Upchurch agreed and suggested that the Board consider discussing various options at a Board retreat for possible action at a future Board meeting.

General Schedule

Chairman Upchurch recognized Ms. Cindy Bradshaw, Deputy Director with the Office of Insurance, who reviewed the schedule of major activities and actions to be taken by the Board for the next several months.

Old Business

Chairman Upchurch recognized Ms. Claire Whittington, Manager of Special Projects with the Office of Insurance, who provided the Board with an update on the implementation and related activities of the Board's Tobacco Resistance Awareness Campaign (TRAC). Chairman Upchurch recognized Mr. Self who provided the Board with a brief update on legislation currently being considered by the Mississippi Legislature, including but not limited to HB873 which if passed would prohibit the Board from implementing the tobacco use premium surcharge scheduled to take effect July 1, 2015, and HB885 which would require the Plan to provide insurance coverage for applied behavior analysis in the treatment of participants suffering from autism spectrum disorders.

New Business

There was no new business for the Board to consider.

Adjournment

Chairman Upchurch announced that the next regular meeting of the State and School Employees Health Insurance Management Board is scheduled for 9:00 a.m., on Wednesday, February 25, 2015, in Room 139, located at the Woolfolk Building.

As there was no further business, the meeting was adjourned at 10:07 a.m.



Kevin J. Upchurch
Chairman
State and School Employees Health Insurance Management Board